

## Social Enterprise Sunderland (SES)

### Introduction

Social Enterprise Sunderland (SES) is an enterprise development agency located in Sunderland. It works within hard-pressed communities and offers services to both small businesses starting up and social enterprises. Over the years and since its establishment in 1983, SES has promoted, developed and supported all forms of enterprises (including social enterprise) within Wearside and North East England. SES was the lead agent of Sunderland Community Enterprise Network (SCEN) which was a consortium of enterprise support organisations. SCEN practiced social accounting and audit for three years until 2006 (see SCEN case study). SES is a relatively small social enterprise employing 16 staff; having a turnover of around £650,000 per annum; and it is registered as an Industrial & Provident Society.



### Social accounting and audit

SES wanted to benefit from the experience SCEN had had in keeping annual social accounts and its first social accounting period was 2006/07. SES started social accounting in order to prove its achievements in terms of performance and impact and to listen and be more accountable to its key stakeholders. In addition, they felt that social accounting would be an effective management tool which would enable them to add to the existing quality standards and improve their reporting mechanisms. They contracted the same consultant who had assisted with SCEN's social accounts and they used the SAN Manual (2005). The process started with a staff away day which set the agreed mission, values and objectives as well as identifying the key stakeholders.

### Benefits and value of social accounting and audit

SES greatly benefited from the consultant's assistance and guidance but they still needed to standardise the data collection systems which have now become computerised. The initial away day for the staff was beneficial as it brought all the staff together at the start of the process – making it more understandable across the organisation and making people feel involved. The social accounting process also enabled SES to clarify its mission, values and objectives and then develop systems to allow it to assess performance and impact – this brought clarity to the organisation. SES's Social Accountant (who was previously the SCEN co-ordinator) reported that he found social accounting and audit to be a useful management tool, it reinforced to him the importance sharing the same values, and he hoped the annual social report would enable him to push forward his arguments for change within the region.

## Negatives, problems, snags

SES reported that the social accounting process was laborious at times but the consultant was there pushing things along. The Social Accountant said that the annual social accounts would not have happened without external assistance. Other than that, the senior staff in SES had become accustomed to the social accounting process and systems were refined to allow the extra data to be collected regularly. Undoubtedly, social accounting is an extra “thing” that SES has committed itself to do and it can be “*a pain*” – but it has enabled SES to demonstrate the evidence of its work, particularly in the way that SES measures economic benefit and this has been important.

## General thoughts on social accounting and audit

SES’s overall experience of social accounting and audit is inextricably linked to the past experience of SCEN (see SCEN case study). However they added the following points:

- There is a tension between “professionalisation” and setting standards which could be only about ticking boxes. SES would like social accounting to be about exploring new ideas and endeavouring to learn from the experience;
- There is a danger, in SES’s opinion, of trying to use social accounting and audit as a benchmark for social economy organisations. SES feel that they already operate in a “*difficult but real environment*” which does not benefit by having rigid standards;
- SES does not feel that practicing social accounting and audit has helped them yet to procure contracts. But it has helped in improving SES’s image and is a good management tool. “*The possible link between contract procurement and social accounting and audit should be explored more*”.

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